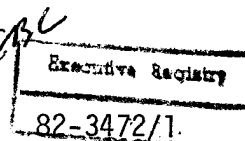


CONFIDENTIAL

7 July 1982



MEMORANDUM FOR THE RECORD

SUBJECT: Briefing of PFIAB Task Force on Organization, Management,
and Personnel

1. Admiral Moorer, Chairman of the Task Force on Organization, Management, and Personnel requested a briefing on 6 July 1982 on the CIA budget, financial, and audit processes. Also present at the briefing were Joe M. Rodgers, President of JMR Investments of Nashville, Robert F. Six, Chairman of the Board, Continental Airlines, and, for a short period of time, Leo Cherne, Vice-Chairman of PFIAB.

2. I led off by taking the PFIAB members through a series of vugraphs that depicted the CIA budget since 1947, the downturn in resources during the decade of the 1970's, the turnaround in the last three years, and our needs for 1984. The members were attentive, interested, and supportive. In their questions, there was some veiled criticism of the decisions made under the Carter Administration and Admiral Turner favoring technical collection over human source collection. I mentioned in the course of the briefing the substantial increase [redacted] without getting into specifics. The PFIAB members did not evince any special interest [redacted] nor did they ask any specific or probing questions. Both Messrs. [redacted] Rodgers and Six asked about our efforts to get intelligence [redacted] and that issue was discussed at some length.

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3. Mr. Sherman, Director of Finance, talked briefly about the finance function. He mentioned the Director's special authority and how that works overseas [redacted]

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[redacted] The members were very supportive of our financial procedures as described by Mr. Sherman and the necessity for the way we do business.

4. [redacted] Chief of the Audit Staff, described the Audit Staff, the periodicity of audits, the fact that GAO does not audit the CIA, and the general approach of getting components to make changes in their procedures without having to take issues to higher authority. He said that in contrast to auditors in other government agencies with whom he has talked, the CIA auditors know that their recommendations will almost always be acted on favorably by operating components. Again, the PFIAB members were very supportive of our procedures and the caliber and trustworthiness of our people.

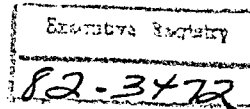
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CONFIDENTIAL

B-204



1 July 1982

MEMORANDUM FOR THE RECORD

SUBJECT: Proposed Briefing of PFIAB Task Force

Deputy Executive Director Fred Demech informed this office on 1 July that Adm. Thomas Moorer, Chairman of the Organization, Management and Personnel Task Force of the PFIAB, would like briefings at 1200 hours, 6 July, in Room 340 OEOB. Task Force members who will be present include Peter O'Donnell, Jr., Joe M. Rodgers and Robert F. Six. Anne Armstrong, PFIAB Chairman, and Leo Cherne, Vice Chairman, may also sit in. The subject is related to audit, budget, and finance activities in the Agency. [redacted] Deputy Comptroller, [redacted] Chief Audit Staff, and Ed Sherman, Director of Finance, will conduct the briefings.

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B-204

file: PFVAB

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ORGANIZATION, PERSONNEL AND MANAGEMENT

This Task Force will assess the adequacy of the supervision of the Intelligence Community and the responsiveness of the Intelligence Community to that supervision and guidance. The NSC, the DCI, and the relationship of State and of the FBI are all involved in this examination.

In addition to supervision, this Task Force will evaluate the managerial effectiveness of the Community, the agencies it includes, and the relationship between the Intelligence Community and the private sector.

The budgetary aspects and the adequacy of resources (monetary and human) are also part of this group's focus. Are the resources adequate to provide needed intelligence? Are there alternate budget and user charge systems which would improve the efficiency and economy of the intelligence structure?

Urgent objects of study are the means which will enhance the recruitment and retention of intelligence personnel as well as the means of enlarging cooperation from the private sector, including those who have retired from the intelligence service.

Are the physical, communication, and personnel security measures adequate and, if not, what changes should be recommended?

Are there organizational reforms or institutional changes which would increase effectiveness? In this connection, those which may have already been made in the course of this Administration should be appraised.

The fact that one year has passed since the President took office, and the change of the management of the National Security Council may suggest that the Organization, Personnel and Management Task Force include the NSC in its performance audit. The NSC staff and others have suggested restructuring the NSC intelligence staff, in part to better assure pertinent, high-quality intelligence for decision-makers. It is too early to know if Judge Clark will benefit from the Board's audit when it is completed in May.

PRESIDENT'S FOREIGN INTELLIGENCE ADVISORY BOARD (PFIAB)

The PFIAB is maintained within the Executive Office of the President. Its several members serve at the pleasure of the President and are appointed from among trustworthy and distinguished citizens outside of Government who are qualified on the basis of achievement, experience, and independence. They serve without compensation. The Board continually reviews the performance of all Government agencies engaged in the collection, evaluation, or production of intelligence or in the execution of intelligence policy. It also assesses the adequacy of management, personnel, and organization in intelligence agencies; and advises the President concerning the objectives, conduct, and coordination of the activities of these agencies. The PFIAB is specifically charged to make appropriate recommendations for actions to improve and enhance the performance of the intelligence efforts of the United States. This advice may be passed directly to the Director of Central Intelligence, the Central Intelligence Agency, or other agencies engaged in intelligence activities.